



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Declaration of Official Intent of City of Lodi to Reimburse Certain Expenditures from Proceeds of Indebtedness

MEETING DATE: October 16, 1996

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council approve the attached resolution of Declaration of Official Intent to reimburse certain expenditures from proceeds of indebtedness.

BACKGROUND: Approval of this resolution enables, but does not obligate, the City of Lodi to reimburse itself for capital improvements to the electric system back to the date of adoption of this resolution. If the City determines at some future date that it is beneficial to finance certain distribution system capital improvements, the City would have the option of reimbursing itself for capital expenditures made from October 16, 1996 up to the date of the financing. Currently, the Electric Utility system funds capital improvements on a "pay-as-you-go" basis totalling approximately \$1M per year. This resolution creates an option, not an obligation.

FUNDING: Electric Utility Fund

Alan N. Vallow
Electric Utility Director

Attachment

ANV/sh

cc: City Attorney

APPROVED

H. Dixon Flynn
CITY MANAGER

RESOLUTION NO. 96-152

A RESOLUTION OF THE LODI CITY COUNCIL
OF DECLARATION OF OFFICIAL INTENT OF CITY OF LODI
TO REIMBURSE CERTAIN EXPENDITURES FROM
PROCEEDS OF INDEBTEDNESS

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WHEREAS, the City of Lodi (the "Issuer") intends to acquire and construct certain improvements to its electric distribution system (the "Project");

WHEREAS, the Issuer expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, the Issuer reasonably expects that debt obligations in an amount not expected to exceed \$12,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Issuer to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the Issuer declares:

Section 1. The Issuer finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

Dated: October 16, 1996

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I hereby certify that Resolution No. 96-152 was passed and adopted by the Lodi City Council in a special meeting held October 16, 1996 by the following vote:

AYES: Council Members - Davenport, Mann, Pennino, Sieglock and Warner (Mayor)

NOES: Council Members - None

ABSENT: Council Members - None

ABSTAIN: Council Members - None


JENNIFER M. PERRIN
City Clerk

The undersigned, Jennifer M. Perrin, City Clerk of Issuer, hereby certifies that the foregoing is a full, true and correct copy of the declaration of the City Council of said Issuer duly made at a meeting thereof held on the date specified below, and that said declaration has not been amended, modified or revoked by said City Council.

Dated: October 16, 1996


JENNIFER M. PERRIN
City Clerk